GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

R&B Dept. - APRDC - A.P Road Sector Project - Widening and Strengthening of Pedana - Nuzvid - Vissannapet road from km 7/0 to 58/920 in Krishna district, A.P (Package No. PNV-08) - Arbitration Award - Request for accord administrative sanction for an amount of Rs.24,49,99,192/ - Accorded- Orders-Issued.

TRANSPORT, ROADS & BUILDINGS (R.IV) DEPARTMENT

G.O.Rt.No.385 Dated: 22.12.2023

Read the following:

1. G.O.Ms.No.28 T, R&B (RIV) Dept, dt.18.02.2011
2. Arbitral Tribunal award dt.31.12.2021 & 28.3.2022
3. From the Chief Engineer (R&B) SH & MD, A.P., Vijayawada, Lr. No. 17086/APRSP/PNV-46/Court Cases/PD.EE (PPP)-DEE-2/AKE-7/2023, Dated: 17.05.2023.

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ORDER:

1) The Chief Engineer (R&B) SH & MD, APRDC, AP has stated that Government have accorded Administrative Sanction for an amount of Rs.320.00 Crores for the work of "Widening and Strengthening of Pedana-Nuzvid-Vissannapet road" under A.P Road Sector Project with the World Bank loan assistance vide reference 1st cited. The work was entrusted to M/s Ramky Infrastructure Ltd., Hyderabad. In view of the slow progress of the work of the contractor Government accorded permission for termination of Contract. As on the date of termination the Contractor has executed work for a value of Rs.32.13 Cr. Upon termination of Contract, Bank Guarantees amounting to Rs.34,75,77,702/- submitted towards Performance Security, Additional Performance Security and Mobilization advance were en-cashed and remitted to Government Account.

2) M/s Ramky infrastructure Ltd., commenced Arbitration case against termination of Contract M/s Ramky Infrastructure Ltd. made claims for an amount of Rs. 142,69,34,278/- before the Arbitral Tribunal. The Employer / Department also made counter claims for an amount of Rs.172.59 Cr. The Hon'ble Arbitral Tribunal considered all the above claims and passed an award vide 2nd read above. The Tribunal awarded an amount of Rs. 20,33,03,503/- to the Contractor. The counter claims of the Department were rejected. The Legal Counsel was requested to appeal under Section 34 of Arbitration & Conciliation Act in the Commercial court, Hyderabad. The Case has been filed by the Department in the Commercial Court, Hyderabad. The Case has been dismissed by the Commercial Court.

3) The CE(R&B) SH & MD, APRDC, AP has stated in the 3rd cited, the Techno-Legal Expert, APRDC was requested to furnish his opinion on the award. The Techno-Legal Expert of APRDC vide email dated 5.2.2022, opined that the arbitral award can be challenged on a very limited ground, under the provisions of section 34. Keeping in view, the limited grounds available under section 34 and the jurisprudence/literature available on the scope of interference by the court, the Techno Legal Expert stated that he would strongly advise to not to challenge the award and to save further time and cost, in terms of interest. The Chief Engineer

(R&B) SH & MD, APRDC, AP has stated that the claims awarded are minimal and of about Rs. 1.96 Cr only. Further, the Contractor agreed to forego the interest from the Date of Award to till date and requested to make payment to the extent of Award for an amount of Rs. 24,49,99,192/- only which includes a principal of Rs.20,33,03,503/- and interest of Rs. 4,07,96,192/ upto date of Award which was included in the Award. He has further stated that it is beneficial to the Government to settle the claims amicably as the Contractor came forward with an offer to forego the interest from the date of Award.

4) The CE (R&B) SH, MD, APRDC, A.P., Vijayawada has requested for accord administrative sanction for an amount of Rs.24,49,99,192/-to make payment.

5) Government after detailed examination of the entire matter, hereby accord administrative sanction for an amount of Rs.24,49,99,192/- for payment to the M/s Ramky Infrastructure Ltd as per the Hon'ble Arbitral Tribunal award dt.31.12.2021 for the work 'Widening and Strengthening of Pedana - Nuzvid -Vissannapet road from km 7/0 to 58/920 in Krishna district. A.P (Package No. PNV-08)'.

6) The amount sanctioned in the Para (5) above, shall be met from the Head of Account 5054-04-MH.337-GH.11-SH.(33)-530-531(Charged).

7) This order is issued with the concurrence of the Finance (FMU.TR&B) Dept vide their U.O.No. Fin Uo.No.FIN01-FMUOASD(TRBD)/56/2023-FMU-TR-B 2289002 (2100581), dt.14.12.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRADYUMNA P.S
SECRETARY TO GOVERNMENT

To
The Chief Engineer (R&B) State Highways & Managing Director, Road Development Corporation, Vijayawada.
Copy to:
The Finance (FMU.TR&B) Department, A.P.
The Director of Treasuries & Accounts, A.P., Vijayawada.
The Director of Works & Accounts, A.P., Vijayawada.
The P.S. to Hon'ble M (R&B).
The P.S. to Secretary, TR&B Dept.
SF/SC.

//FORWARDED BY ORDER//

K. V. Rama Mohan
SECTION OFFICER